



Community Providers Association
Caring for Connecticut.

Human Services Committee Public Hearing - March 9, 2010

S. B. No. 219 AAC State Contract Reductions

We support the concept of flexibility of budgeting within a provider organization, outlined in this bill. However, we have major concerns about the impact of any funding reduction on the community provider system.

The system has been dramatically underfunded for more than 25 years. As the Medical Consumer Price Index has grown by over 201 %, the funding to cover costs of services for community providers has only increased 33%. That is an average funding increase of 1%, while staffing costs (wages and insurance) and the costs to run residential and clinical services (including food and fuel) have gone up exponentially. Community providers run lean agencies and have cut their administrative costs to the bare bone. Any attempt to reduce funding for community providers will result in a reduction of services.

We recommend that this bill include the ability to work with state agencies on a plan to reduce services in light of funding cuts.

We understand that the administration has concerns that this proposed legislation will take away the ability of state agencies to manage their contracts. From our perspective as community providers, we need the ability to manage our limited resources in order to maximize service provision.

We would be pleased to work with the Committee and the executive branch to address the impact of loss of funding on the community provider system and its ability to serve vulnerable individuals.

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